



## Information Technology Investment Board

### Draft Meeting Minutes

**Monday, June 20, 2005**

Virginia Information Technologies Agency Auditorium  
110 S. 7<sup>th</sup> Street  
Richmond, Virginia

### Attendance

#### Members Present:

The Honorable Eugene J. Huang, Chairman  
Dr. Mary Guy Miller, Vice-Chairwoman  
Chris Caine  
Jimmy Hazel

Hiram Johnson  
Walter Kucharski  
James F. McGuirk, II  
Len Pomata

#### Members Absent:

Scott Pattison

#### Others Present:

Lemuel C. Stewart, Jr., Chief Information Officer of the Commonwealth  
John Westrick, Office of the Attorney General

### Call to Order

Chairman Huang called the meeting of the Information Technology Investment Board (ITIB) to order at 1:05 p.m.

Chairman Huang announced the resignation of Mr. John C. Lee, IV, from the ITIB, effective June 8, to accept the chairmanship of the Northern Virginia Technology Council. On behalf of the Board, the Chairman presented a certificate of appreciation for his Board service.

Chairman Huang announced ITIB Executive Director Ms. Roz Witherspoon has been loaned to the Department of Veterans Services on a full-time basis to support their three boards. The Chairman welcomed Ms. Jenny Hunter as interim executive director.

Chairman Huang introduced Ms. Kay Floyd, a Governor's Fellow assigned to the Office of the Secretary of Technology and a recent graduate of The College of William & Mary.

Chairman Huang offered the Board's sincere condolences to Chief Information Officer (CIO) of the Commonwealth Mr. Lemuel C. Stewart, Jr. on the untimely passing of his mother, who was killed in an automobile accident in North Carolina on June 11.

### Approval of Minutes

Chairman Huang introduced the draft meeting minutes from April 13, 2005. Mr. Hazel made a motion to approve the minutes as recorded. Mr. Caine seconded the motion. The motion was carried unanimously.

## CIO Status Report

Mr. Stewart provided a status report on agency operations and issues to the Board. Mr. Stewart thanked the Board members for their condolences and support, and for sending flowers. He provided updates in the following areas:

### Quarterly Highlights

- May 4—Presented an update on VITA to the Joint Commission on Technology and Science (JCOTS). VITA is changing the message to legislators to focus on the real value of VITA and Transformation, beyond cost savings.
- May 4—CIO participated in the National Association of State CIOs (NASCIO) Washington Fly-In to promote data-sharing, particularly in the areas of health information and homeland security.
- May 15—Launched a comprehensive customer satisfaction program, including an independent customer satisfaction survey, mandatory customer service basics training for all VITA employees, and a customer satisfaction charter initially focused on internal customer service.
- May 11—Mr. Stewart received the Greater Richmond Technology Council 2005 Leadership Award, which he accepted on behalf of all VITA employees.
- May 13—Issued agency information technology (IT) investment guidance to help agencies complete the IT portion of their strategic plans.
- May 26—Presented rate requests to a subcommittee of the Joint Legislative Audit and Review Commission (JLARC), which were approved by the full Commission on June 13. Mr. Stewart will provide an update on VITA to JLARC on July 11.

### Transformation Update

- The Infrastructure Public-Private Educational Facilities and Infrastructure Act (PPEA) Due Diligence phase was completed and detailed proposals are due to VITA today. Subject matter experts will conduct a comprehensive review of the proposals over the next 30 days. ITIB Members Mr. Hazel and Mr. McGuirk are representing the ITIB on the Infrastructure PPEA Steering Committee.
- The Enterprise Applications PPEA Steering Committee was formed, and includes ITIB Chairman Huang. The Due Diligence effort was launched May 2 and concludes June 23.
- Both tracks are on schedule for potential comprehensive agreements in mid-October.
- The CIO designated an interim leadership team to handle day-to-day operations and ensure continuity of customer service, headed by Chief Operations Officer Ms. Leslie Carter, while the VITA executive team reviews infrastructure proposals.
- VITA has nine new local government and K-12 education customers. VITA anticipates savings of \$8 million by the end of fiscal year (FY) 2005 to localities and schools. Combined with FY 2004 savings total of approximately \$7 million, the two-year savings total is \$15 million.

### Audit Activity and Major IT Project and Procurement Actions

- The Auditor of Public Accounts (APA) issued a new 2005 Performance Audit Report in June for the 2002-2004 budget biennium, with one finding: "develop policies and procedures for granting, evaluating, and terminating employees in PeopleSoft," VITA's financial software. The policy and procedure have been developed.

- VITA has completed three of fifteen actions from the December 2004 APA Performance Audit Report. Three actions have revised dates and the remaining nine actions are reported to be on schedule.
- Three of four actions are completed from the 2004 APA SAS 70 Audit Report. The remaining action is reported to be on schedule.
- An internal audit on use of Small Purchase Charge Cards was completed with seven results and sixteen recommendations.
- The CIO granted project development approval to the Department of Game and Inland Fisheries' Automated License Delivery System. There were no CIO actions in the project planning, contract approval, or project suspension or resumption approval categories.

## Finance

- New internal service fund requirements are needed for mandates related to program management (\$1.65 million) and information security (\$3.27 million). Projected impact to agencies is \$4.9 million in FY 2006 and \$4.3 million in FY 2007 and FY 2008.
- VITA's operating revenues and expenses through April 2005 are as expected. VITA anticipates an end-of-year surge as agencies expend funds prior to the close of the fiscal year on June 30.
- VITA's cash flow has improved significantly due to changing customer payment terms from 30 days to 10 days. VITA prepared an internal service fund cash flow analysis for submission to the Department of Accounts (DOA) and the Department of Planning and Budget (DPB) for discussion of options (Treasury loan or line of credit). VITA anticipates a slight shortfall—less than \$500,000—in cash flow at fiscal year-end.

## FY 2006 Operating Budget

- VITA's FY 2006 operating budget includes a cut of 3.8 percent of discretionary spending to fund legislated salary increases in FY 2005 and FY 2006.
- The budget reprioritizes initiatives to fully support Transformation, with approximately 25 percent supporting Transformation and growth activities and 75 percent for retaining current operations. Budgeted priorities include enhancing customer service, growing VITA business, and transforming the IT infrastructure.
- Budget development challenges include lack of historical data, new rates due in September, and legislative policy guidance with increased reliance on rates.
- The proposed FY 2006 operating budget for all funds includes \$249,176,872 for operating revenues and \$248,458,316 for operating expenses, with a net change of \$718,556.

## Shared Services Rates Methodology

- The current direct bill methodology restricts VITA from sharing employees across the customer base. The proposed shared services rates methodology requires ITIB and JLARC approval, and would establish a service matrix to cover the cost of personnel based on agency business needs and system criticality.
- The shared services rates methodology excludes hardware, software, contracts, and maintenance, which would remain in direct bill and be adjusted during Transformation.
- The shared services rates apply only to in-scope agencies and are an interim step to get to full shared services rates.

## Initiatives Benefits Methodology

- The initiatives benefits methodology is required by statute and the APA. It provides a detailed mechanism to capture benefits of VITA initiatives in the areas of savings, cost avoidance, and productivity gains.
- The proposed methodology documents the baseline compared to the new environment to determine benefits; provides standard templates and definitions; and identifies participants, initiatives, time periods, and dollar thresholds for using the methodology.
- The methodology requires ITIB approval prior to submission to the Secretary of Finance.

In response to a question from Mr. Pomata, Dr. Miller said the Finance and Audit Committee would bring the FY 2006 budget forward for Board discussion and approval during the committee reports.

## PPEA Update

PPEA Deputy Program Director Mr. Dan Ziomek provided an overview of the PPEA briefing that was given to the Governor on April 15 and updated for the ITIB. Because of different Commonwealth business ownership, the PPEA proposals are divided into two tracks, infrastructure (IBM and Northrop Grumman) and enterprise applications (CGI-AMS and IBM). The ITIB is the business owner for the infrastructure track and the Secretaries of Finance and Administration are the business owners for the enterprise applications track. The enterprise applications track was launched later than the infrastructure track. The tracks will converge in October with a decision by the Governor to enter into a comprehensive agreement. VITA provides program administration and support to both tracks.

The Infrastructure PPEA Steering Committee is chaired by Mr. Jerry Simonoff, VITA Director of Strategic Management Services. Mr. Fred Duball is the infrastructure program manager. The Enterprise Applications PPEA Steering Committee is co-chaired by Mr. David Von Moll, director of DOA, and Mr. Jim Roberts, director of the Department of General Services (DGS). Mr. Tim Bass is the enterprise applications program manager.

## Infrastructure PPEA Update

Mr. Duball provided an update on the infrastructure PPEA track. The track includes the hardware, networks, and associated services and staff required to support the information systems that agencies use to operate and provide services to citizens. He also shared the organization chart for infrastructure detailed review.

The detailed proposals are due to VITA today, June 20. Vendor oral presentations begin June 27. Facilitated evaluation sessions are scheduled from July 5 to July 18 by area of expertise, with reports to the Infrastructure PPEA Steering Committee from July 18 to July 21. The ITIB will decide whether to proceed into negotiations on July 25. Chairman Huang thanked Mr. Duball and his team for their hard work.

## Enterprise Applications PPEA Update

Mr. Bass provided an update on the enterprise applications PPEA track. The track includes those business processes and associated software applications that are used across state government to provide management and administrative support in the agencies in the areas of human resource management, financial management, and procurement. The goal of this track is to establish a clear business case to reengineer various processes within the state, and, if so, what to do to re-solution them.

Mr. Bass shared the organization chart for enterprise applications detailed review. The enterprise applications track is now in the Due Diligence phase, involving 46 agencies and 26 business processes tied to the *Enterprise Business Architecture* approved by the ITIB in April.

Mr. Bass anticipates releasing the draft statement of work and proposal package to the proposal teams on June 27. The package defines for the vendors how to present the business case and the costs associated with the as-is environment, the opportunities for reengineering processes, the methodology for bringing those opportunities to fruition, and components related to governance, change management, costs, and funding alternatives.

Mr. Walt Kucharski said many business processes are the way they are as a result of statute. Mr. Bass said the Due Diligence effort included research on statutory requirements. In response to a question from Mr. Kucharski, Mr. Bass said the proposal teams were not asked to present cost alternatives based on whether statutory restrictions are changed. Mr. Kucharski expressed concern regarding the review team's ability to evaluate responses if costs are not provided both ways. Mr. Bass acknowledged Mr. Kucharski's concerns.

Mr. Bass stated next steps are to release the detailed proposal packages on June 27, with detailed proposals due August 5.

In response to a question from Mr. Kucharski, Mr. Bass said legislative users were not included in the Due Diligence effort. Mr. Kucharski expressed concern that critical legislative and judicial users were excluded. Mr. Bass said that these users will be considered later in the process. Mr. Stewart said the Due Diligence process was intended to capture a segment of the market, not the entire range of users. When proposals come back, these groups will be included to figure out the business process reengineering. Mr. Kucharski said he understood Mr. Stewart's explanation but did not agree with the approach.

### ITIB Meetings

Mr. Ziomek presented the schedule of ITIB meetings to consider PPEA recommendations. The meetings will all be hosted at the VITA Operations Center beginning at 1:00 p.m.

- **July 25:** Special Board meeting to review and approve the recommendations of the Infrastructure PPEA Steering Committee to proceed (or not) into negotiations.
- **August 10:** Regular Board meeting, including status briefings on both PPEA tracks.
- **September 8:** Special Board meeting to review and approve the recommendations of the Enterprise Applications PPEA Steering Committee to proceed (or not) into negotiations.
- **October 5:** Regular Board meeting rescheduled from October 12. Potential closed session to review and approve Comprehensive Agreements for both tracks.

### Project Management Division Annual Report

Mr. Ziomek provided the Project Management Division (PMD) annual report. Highlights of the presentation include:

- As of May 31, PMD provided oversight for a monthly average of 36 major IT projects, averaging \$850 million in value. In FY 2005, the ITIB and CIO reviewed 17 projects for development approval, 161 procurement requests, and 117 IT strategic plan amendments.
- PMD staff is comprised of ten full-time equivalents and one contractor. In FY 2005 the bulk of staff time was devoted to developing and managing new programs and supporting the PPEA. More emphasis on project oversight is anticipated in FY 2006.

- In FY 2005 (through May 31), PMD reviewed 161 procurement requests valued at \$122.3 million to ensure they support agencies' business plans and IT strategic plans, and support the enterprise architecture. Due to end-of-year surge, PMD estimates processing 180 to 190 requests valued in excess of \$135 million by year-end.
- Trends from FY 2004 to FY 2005 show significant decrease in agency procurement requests in hardware, telecommunications, and software. This is due in part to the consolidation of infrastructure and the increased use of statewide contracts.
- Trends from FY 2004 to 2005 show significant increases in agency procurement requests for services and maintenance. This is due to agencies turning their efforts away from infrastructure and into improving services to citizens, primarily through commercial, off-the-shelf products. As a result of integration to VITA, there is an increased emphasis on maintenance and a trend toward establishing multi-year contracts for maintenance.
- Trends from FY 2004 to 2005 show surges of procurement activity near the end of the Commonwealth's fiscal year and near the end of the federal fiscal year. This suggests that IT is considered by most agencies as discretionary spend, with a rush in the final quarter of the fiscal year to expend leftover dollars on IT goods and services.
- Major project oversight trends for FY 2005 fall within anticipated ranges, with 70 to 90 percent of projects green, 10 to 30 percent of projects yellow, and zero to 10 percent of projects red. Generally, the oversight process in Virginia is working. There were no failed major IT projects in FY 2004 and FY 2005.
- As part of the test of a significantly revised Commonwealth IV&V Program, PMD conducted independent verification and validation (IV&V) of 21 major IT projects in FY 2005. Based on the successful test, new IV&V requirements were immediately implemented for all new-start projects. Starting in July, the program will be expanded to include all current projects in the Commonwealth portfolio.
- Additional training and guidance is needed in weaker areas of project management, including risk management, scheduling, estimating, earned value, and quality management. Agencies' project management capabilities should continue to mature.
- The number of participants in the Project Manager Development Program (PMDP) continues to grow, and is currently at 939. The PMDP qualifies project managers (not certifies) and is updating the qualification test to reflect changes in the Project Management Institute's Project Management Body of Knowledge.
- Major accomplishments for FY 2005 include increased focus on project oversight, expansion of the PMDP, revision of the Recommended Technology Investment Projects (RTIP) Report and process, promulgation of project management-related standards, and support for the PPEA tracks.
- Major initiatives for FY 2006 include expanding major IT project oversight, implementing the IV&V program, reengineering the strategic planning and procurement request processes, enhancing the RTIP Report and process, redefining performance measures, promulgating ITIM-based standards, and supporting the PPEA process.
- The PMD faces significant challenges in FY 2006, including right-sizing the organization to provide value at lowest cost to agencies. Changes resulting from potential establishment of PPEA comprehensive agreements, new legislation for charter universities and colleges, and continued consolidation of VITA's infrastructure support to agencies, will affect both the size and composition of the future PMD organization.

In response to a question from Mr. Caine on lessons learned from major IT project oversight, Mr. Ziomek responded that PMD is learning from its oversight experiences and documenting the lessons-learned for incorporation in the planned publication of a Commonwealth PM Oversight Standard in FY 2006. Mr. Ziomek noted that, overall, the projects fall within

expected performance ranges, with some variation depending on volume. The majority of red projects stem from contract issues—problems with the performance of contractors—rather than management of the project by the agency.

Mr. Caine recommended the PMD spend time on evaluating project oversight success factors to strive for healthier projects. Chairman Huang commented that a red project is not necessarily negative, as it commands immediate attention in the oversight process. Mr. Caine concurred that an occasional red project is healthy. His concern is too much yellow. Mr. Ziomek said that yellow projects begin with self-reporting by the agency or the proponent Secretary. The trend has been for Secretaries to err on the side of caution and flag projects as yellow to raise visibility.

In response to questions from Dr. Miller, Mr. Ziomek said the goal of the PMDP is to have an adequate pool of qualified project managers. Given the current portfolio of projects under PM management in the Commonwealth, the current pool of qualified PM's is adequate. He estimates that the PM numbers will continue to grow, but probably at a slower rate than in FY 2004 and 2005. The biggest challenge for PMD is to match the qualifications of the PM with the specific project business need and requirements

## VITA Security Report

VITA Security Services Director Mr. Jeff Deason provided a briefing entitled *Security Services in the Commonwealth*. Highlights of the presentation include:

- The mission of VITA Security Services is to provide comprehensive information security services that allow state agencies to accomplish their respective missions in a safe and secure technology environment.
- In FY 2004, VITA Security Services was focused on operational duties, such as managing firewalls, and began shifting to governance. In FY 2005, VITA created the Information Security Officers (ISO) group and began updating policies and standards with their input. By FY 2006, VITA will have shifted security operations functions into the Customer Support Services area and will be focused on enterprise security governance.
- A mature enterprise security program includes protection (incident management, secure infrastructure, and business continuity), security awareness (training and awareness for users), and program compliance (policies, standards, procedures, and risk management).
- Accomplishments for FY 2005 include implementing minimal security incident reporting capabilities, developing common enterprise information technology security policies and standards, improving infrastructure security, testing VITA disaster recovery and business continuity plans, conducting agency security assessments, and implementing a basic security awareness and training program within VITA.

In response to a question from Mr. Caine, Mr. Deason said the security assessments involved a 3rd party vendor working with customer agencies to review security controls at a high level.

- FY 2006 goals include completing the transition to a security governance model, implementing an enhanced security incident management program, implementing auditing of state government databases and data communications, implementing a full security awareness and training program that can be tailored for customer agencies, and implementing enterprise infrastructure security improvements.
- Developing a unified information security program across the enterprise is a major cultural change and part of Transformation.



Responding to questions from Mr. Kucharski, Mr. Deason said the enterprise security program will clarify the security roles of the agencies and VITA. All security incidents will be reported, regardless of VITA or agency ownership. VITA would work with agencies to mitigate risks associated with accesses and security policies for agency-specific applications. VITA has the authority to tell agencies what to do with non-VITA systems that impact the VITA infrastructure.

Mr. Johnson asked if VITA maintains a record of attempted attacks. Mr. Deason said VITA is putting technology improvements in place to capture better data. Mr. Stewart said agencies usually find out they have been attacked after they are hit and the damage is done; that early detection and prevention does not exist for the most part.

Mr. Pomata said that the Board has not spent much time on security, and recommended ratcheting up the attention and dollars focused on this effort. Chairman Huang requested Mr. Deason provide an update to the ITIB within three months. Mr. Pomata noted that an executive session may be needed to discuss details, and deferred to counsel.

In response to questions from Mr. Hazel and Mr. Caine, Mr. Deason said that VITA did well overall in the recent disaster recovery testing. Penetration testing (attacking one's own systems) is part of the security assessments that will be completed by the end of the month.

Chairman Huang requested Mr. Deason provide an update at the October 5 meeting, possibly in closed session, and encouraged Board members to send questions to Mr. Deason or Ms. Hunter in advance.

## Committee Reports

### Legislative Review Committee, Jimmy Hazel, Committee Chair

Mr. Hazel said there was no report from the Legislative Review Committee. Mr. Johnson said he attended the JLARC meeting on June 13, at which the Commission approved a motion delegating authority to its Internal Service Funds Subcommittee to review and approve interim rate requests from VITA on behalf of the full Commission. If any member of the Subcommittee objected to an interim rate request, the interim rate could not be implemented without consideration by the full Commission. The full Commission would review and approve all VITA rates at least one time annually.

### Strategic Planning and Review Committee - Jim McGuirk, Committee Chair

Mr. McGuirk noted that the Committee changed its name from the IT Project and Review Committee, and is now known as SPARC. He said there are no action items for the Board's approval and provided an update on the SPARC meeting earlier in the day.

The SPARC members received briefings on two reports, including the IT Strategic Plan for 2006 and the RTIP Report due September 1, 2005. The SPARC made two recommendations related to the RTIP Report.

1. DPB moved the deadline for agency strategic plan submissions to July 15, one month later than planned, which is out of synch with the schedule for completing the RTIP. The SPARC requested language in the RTIP Report stating that, as a result of the move date, agency-supplied information in the report will be more limited.
2. The Board will see the first RTIP Report draft in mid-July, allowing adequate time to review and modify. The SPARC has requested dividing projects into two broad categories: enterprise-wide and collaborative projects and agency projects. The first category sends a message to agencies and the legislature that the Board values and emphasizes common



architecture and collaboration across multiple agencies. These projects will be weighted more heavily than individual agency-specific projects.

### **Finance and Audit Committee, Dr. Mary Guy Miller, Committee Chair Pro Tem**

Dr. Miller provided a report of the Finance and Audit Committee (FAC) in the absence of Chairman Pattison. The FAC met June 6 and reviewed the action plan update for the 2005 APA Performance Audit and the 2004 APA SAS 70 Audit report. The FAC received and approved the action plan addressing the recommendation in the Internal Audit Services' Small Purchase Charge Card (SPCC) Report. Dr. Miller asked the members to review the SPCC plan provided in the packets.

*Dr. Miller moved the Board accept the Small Purchase Charge Card (SPCC) 2005 Action Plan. Chris Caine seconded the motion. There being no discussion, Chairman Huang called for a vote and the motion was carried unanimously.*

Dr. Miller reported the FAC reviewed a summary of Internal Audit Services' activities to date and commended Internal Audit Director Ms. Peggy Ward for her work. The FAC also reviewed April 2005 financial results. Financial activity continues to lag in the internal service funds, due to lower-than-projected revenues and expenses for new VITA services. Net earnings improved over the previous report due to increased revenues in enterprise funds (E-911).

Dr. Miller noted that Mr. Stewart provided a cash flow update in his CIO Status Report. She said the DOA has approved VITA's request for short-term cash to meet year-end cash needs, to be covered by accounts receivable.

She provided a final report on the FY 2004 – 2006 biennial budget. Governor Warner vetoed language in the budget bill that directed VITA to charge customers for start-up funds. The veto allows VITA to use start-up funds without having to resort to customer charges.

Dr. Miller said the JLARC Internal Service Funds Subcommittee asked JLARC staff to prepare a recommendation on ways to allow VITA to proceed with implementing rates without coming before the Subcommittee each month for rate approvals. JLARC staff will work with VITA, APA, and the House Appropriations and Senate Finance Committee staffs to develop a recommendation.

Dr. Miller asked ITIB members to review the proposed rates for the Seat of Government Campus network and audio-teleconferencing. Mr. Stewart said the rates were previously rolled into facilities rental rates. Now, VITA needs to bill to recoup these costs. Dr. Miller said there is no negative financial impact on VITA customers. In response to a question from Mr. McGuirk, Mr. Stewart said under the old system with Centrex phones, VITA owned the switches. The new rates reflect a switch to voice over Internet protocol (VOIP). Chairman Huang directed the members to look at the handout titled *Projected VITA expenses and revenues related to new services*. In FY 2006, expenses exceed revenue, yet VITA anticipates growth over multiple years.

*Dr. Miller moved the Board approve the proposed rates as presented for submission to JLARC. Mr. Hazel seconded the motion. There being no discussion, Chairman Huang called for a vote and the motion was carried unanimously.*

Dr. Miller said VITA presented the next iteration of the shared services rates methodology to the FAC. It is an interim step to get to full shared services rates, and provides for moving all payroll expenses to a shared environment to facilitate the sharing of personnel. VITA

has worked with customer agencies to develop this methodology and is now developing rates to support it. The FAC will be asked to approve the rates in August.

As reported by the CIO, VITA has developed its FY 2006 proposed operating budget. Revenues of \$249 million and expenses of \$248 million will leave a small net balance of \$700,000. The budget supports initiatives to support Transformation fully and cuts discretionary spending to cover legislated salary increases. The budget also allows for growth in VITA's business by investing in outreach activities to bring in additional revenues. Dr. Miller asked the Board to review the FY 2006 Proposed Operating Budget handout.

The members discussed the proposed budget and requested more detailed information from the FAC following fiscal year-end activity:

1. FY 2005 operating budget actual results and comparisons.
2. Trends for expenses and revenues projected over the next biennium or over a five-year period.
3. Percentages and dollar figures for expenditures in the categories of retain, grow, and transform, including a comparison of FY 2005 and FY 2006.
4. Categories of expenses that were cut in order to fund growth and transformation activities in FY 2006.

Mr. Pomata emphasized the need for Board members to hold themselves accountable for savings and the operating budget. He requested that the Board receive more information and projections in the future. Chairman Huang said the detail will be vetted by the FAC after the close of the fiscal year and shared in more detail with the Board.

*Dr. Miller moved the Board approve the FY 2006 proposed VITA operating budget. Mr. Caine seconded the motion. There being no further discussion, Chairman Huang called for a vote and the motion was carried unanimously.*

Dr. Miller asked Board members to review the handout entitled *Proposed Methodology for Identifying and Capturing Savings*. As reported by the CIO in his Status Report to the Board, VITA has worked with JLARC and the APA to develop the methodology, which needs approval by the Board and the Secretary of Finance. In response to a question from Chairman Huang, Mr. Stewart said current savings initiatives would be retrofitted into the new template, tracked forward as any new initiative, and reported to the Board.

*Dr. Miller moved that the Board approve the initiatives benefits methodology for submission to the Secretary of Finance. Mr. McGuirk seconded the motion. There being no further discussion, Chairman Huang asked for a vote and the motion was carried unanimously.*

## Other Business

Chairman Huang reported on an action item from the April 13, 2005, ITIB meeting. A letter was sent to the Governor on behalf of the Board on the matter of higher education restructuring, requesting the Secretary of Technology be at the table for the discussions. The Governor responded affirmatively. Chairman Huang received a first draft from the higher education community of what they want, which is being reviewed by his office and a team at VITA before the end of summer.

Chairman Huang asked members for any other business that needed to come before the Board. No other business was introduced.

## Public Comment

Chairman Huang solicited public comment. There was no public comment.

## Executive Session

Dr. Miller made the following motion:

*Mr. Chairman, I move that the ITIB convene a closed meeting pursuant to Virginia Code §2.2-3711(A)(1) for the purpose of discussion and consideration of prospective candidates for election to the post of Chairman of the ITIB, and pursuant to Virginia Code §§ 2.2-3711(A)(6) and (A)(30) for the purpose of discussing the individuals who will serve on the negotiating team for PPEA proposals involving the investment of public funds, their roles in the negotiation, the negotiation objectives and evaluation details, and to discuss the terms and scope to be negotiated and the Board's input into the negotiation process, as discussion of these matters in open meeting would adversely affect VITA's bargaining posture and negotiating strategy and therefore its financial interest. The CIO and certain staff whom he has selected for their familiarity with the above matters should attend the closed meeting, as their attendance will aid our discussion.*

*Chairman Huang asked Ms. Hunter to conduct a roll call vote. Ms. Hunter called the roll and the following members voted to carry the motion as presented: Chairman Huang, Mr. Caine, Mr. Hazel, Mr. Johnson, Mr. McGuirk, Dr. Miller, Mr. Pomata, and Mr. Kucharski.*

Mr. Caine participated in the discussion of the ITIB chairman and recused himself from the PPEA discussion. Mr. Johnson also departed before the PPEA update.

The Board reconvened in open session at 5:03 p.m. Chairman Huang made the following motion:

*I move that the ITIB is now reconvened in open session, having completed a closed meeting. I will now conduct a roll call and will ask each member to certify, to the best of his or her knowledge, that only public business matters lawfully exempt from open meeting requirements under the Freedom of Information Act and only those public business matters identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting.*

*Chairman Huang asked Ms. Hunter to conduct a roll call. Ms. Hunter called the roll, and the following members so certified: Chairman Huang, Mr. Hazel, Mr. Kucharski, Mr. McGuirk, Dr. Miller, and Mr. Pomata.*

## Adjourn

There being no further business, the Chairman adjourned the meeting at 5:05 p.m. The next meeting of the ITIB will be July 25, 2005, at the VITA Operations Center, 110 South Seventh Street – 4<sup>th</sup> Floor Auditorium, Richmond, Virginia 23219.

